performance of individual securities selected by the Portfolio Managers. C&B measures performance of securities against the S&P 500 Index and the Russell 1000 Value Index for the Large Cap Value strategy accounts. Bonus

<PAGE>

allocations are determined by an annual peer review process conducted by the investment team. Allocations vary depending primarily on the four year rolling investment results attributed to each individual security. The Portfolio Managers also receive a fixed deferred compensation. Partners of Cooke & Bieler receive a return proportionate to their investment based upon the firm's overall success.

Beneficial Ownership in the Company. As of the Company's most recent fiscal year ended December 31, 2006, the Portfolio Managers did not beneficially own any securities of the Company.

<PAGE>

Schroder Investment Management North America Inc. ("Schroders")

The following information supplements, and should be read in conjunction with, the section in the Prospectus discussing the portfolio managers of Schroders. The following portfolio managers of Schroder are primarily responsible for making investment decisions for the Company's portfolio of fixed income securities and investments: David Baldt, Susan Beck, Ted Manges and Whitney Sweeney.

Other Accounts Managed. The following table shows information regarding other accounts managed by the portfolio managers of the Company, as of December 31, 2006:

<TABLE>
<CAPTION>

<S>	Number of Accounts <C>	Total Assets in Accounts <C>	Number of Accounts where Advisory Fee is Based on Account Performance <C>	Total Assets in Accounts where Advisory Fee is Based on Account Performance <C>
Registered Investment Companies*	3	$1,009,523,817.	None	None
Other Pooled Investment Vehicles	1	$ 78,352,660.	None	None
Other Accounts	268	$2,450,373,565.	None	None

</TABLE>

*The three registered investment companies referred to in the above table are funds that invest primarily in municipal bonds.

Material Conflicts of Interest. Whenever a portfolio manager of the Company manages other accounts, potential conflicts of interest exist, including potential conflicts between the investment strategy of the Company and the investment strategy of the other accounts. For example, in certain instances, a portfolio manager may take conflicting positions in a particular security for different accounts, by selling a security for one account and continuing to hold it for another account. In addition, the fact that other accounts require the portfolio manager to devote less than all of his or her time to the Company may be seen itself to constitute a conflict with the interest of the Company.

A portfolio manager may also execute transactions for another fund or account at the direction of such fund or account that may adversely impact the value of securities held by the Company. Securities selected for funds or accounts other than the Company may outperform the securities selected for the Company. Finally, if the portfolio manager identifies a limited investment opportunity that may be suitable for more than one fund or other account, the Company may not be able to take full advantage of that opportunity due to an allocation of that opportunity across all eligible funds and accounts. Schroders' policies, however, require that portfolio managers allocate investment opportunities among accounts managed by them in an equitable manner over time.

The structure of a portfolio manager's compensation may give rise to potential conflicts of interest. A portfolio manager's base pay tends to increase with additional and more complex responsibilities that include increased assets under management, which indirectly links compensation to sales.

<PAGE>

Schroders has adopted certain compliance procedures that are designed to address these, and other, types of conflicts. However, there is no guarantee that such procedures will detect each and every situation where a conflict arises.

Compensation. Each portfolio manager is paid in a combination of base salary and annual discretionary bonus, as well as the standard retirement, health and welfare benefits available to all Schroders employees. Base salary of Schroders employees is determined by reference to the level of responsibility inherent in the role and the experience of the incumbent, and is benchmarked annually against market data to ensure competitive salaries. Each portfolio manager's base salary is fixed and is subject to an annual review and will increase if market movements make this necessary or if there has been an increase in his or her responsibilities.

Each portfolio manager's bonus is based in part on performance. Discretionary bonuses for portfolio managers are determined by a number of factors. At a macro level the total amount available to spend is a function of the compensation to revenue ratio achieved by Schroders globally. Schroders then assesses the performance of the division and of a management team to determine the share of the aggregate bonus pool that is spent in each area. This focus on "team" maintains consistency and minimizes internal competition that may be detrimental to the interests of Schroders' clients. For individual portfolio managers, Schroders assesses the performance of their funds relative to competitors and to the relevant benchmark over one and three year periods, the level of funds under management and the level of performance fees generated. Each portfolio manager's performance is compared to an appropriate benchmark for the purpose of determining his or her bonus.

Schroders also reviews "softer" factors such as leadership, innovation, contribution to other parts of the business and adherence to corporate values of excellence, integrity, teamwork, passion and innovation. In some cases, part of an employee's bonus may be deferred in the form of Schroders plc stock. This stock vests over a period of three years and ensures that the interests of the employee are aligned with those of the shareholder.

Beneficial Ownership in the Company. As of the Company's most recent fiscal year ended December 31, 2006, the portfolio managers did not beneficially own any securities of the Company.

Item 16. Brokerage Allocation and Other Practices

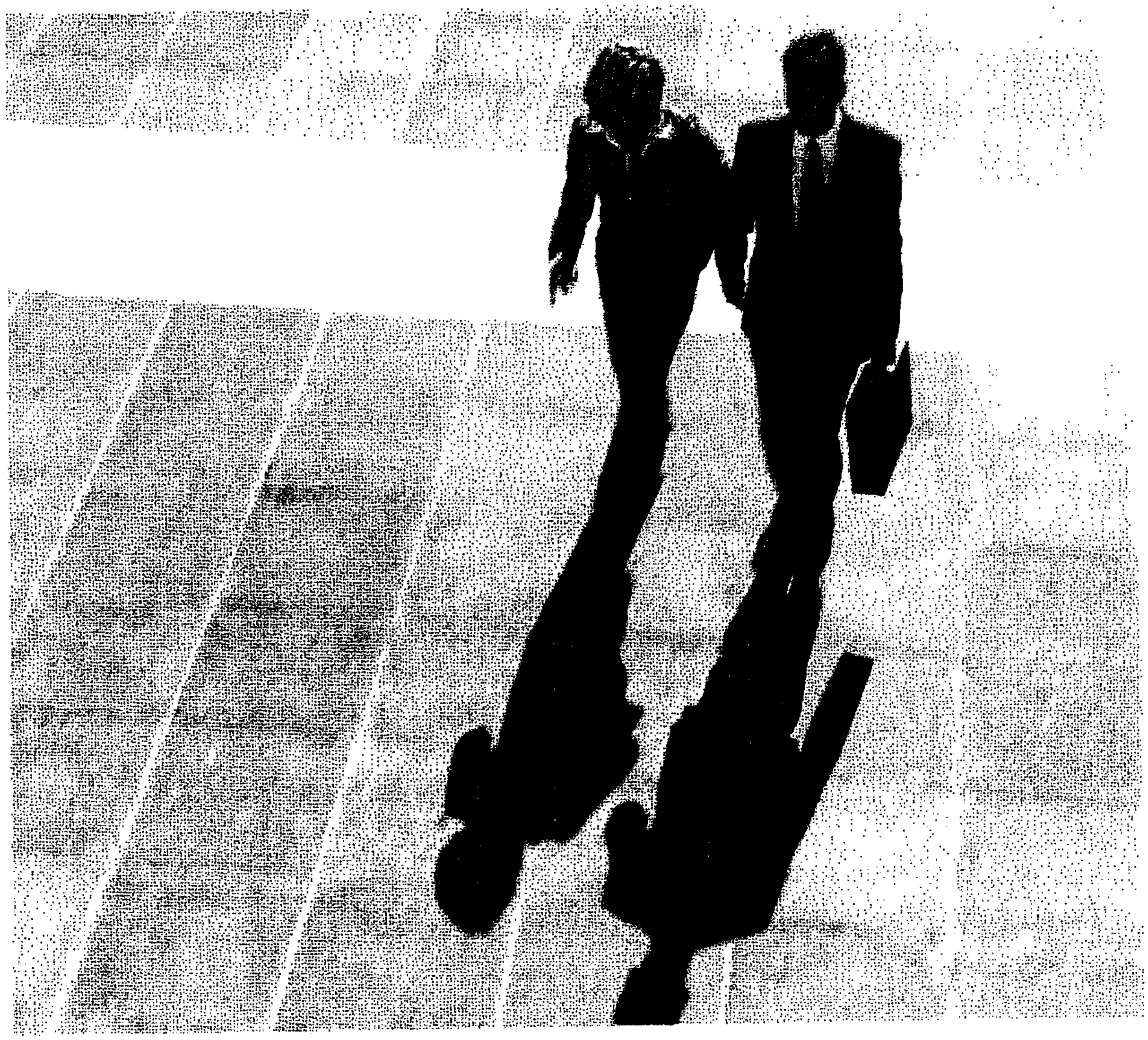
The Company's investment advisers are responsible for implementing decisions for the purchase and sale of portfolio securities, including the negotiation of commissions and the allocation of principal business and portfolio brokerage. Purchases and sales of securities on a stock exchange or certain riskless principal transactions placed on NASDAQ are typically effected through brokers who charge a commission for their services. Purchases and sales of fixed income securities may be transacted with the issuer, the issuer's underwriter, or a dealer. The Company does not usually pay brokerage commissions on purchases and sales of fixed income securities, although the price of the securities generally includes compensation, in the form of a spread or a mark-up or mark-down, which is not disclosed separately. The prices the Company pays to underwriters of newly-issued securities usually include a commission paid by the issuer to the underwriter. Transactions placed through dealers who are serving as primary market makers reflect the spread between the bid and asked prices.

During the past year the Company engaged in a number of brokerage transactions in the ordinary course of business with respect to its investments. Brokerage commissions in connection with the purchase and sale of securities for the

Tab 5

Annual Report & Accounts 2004

Schroders

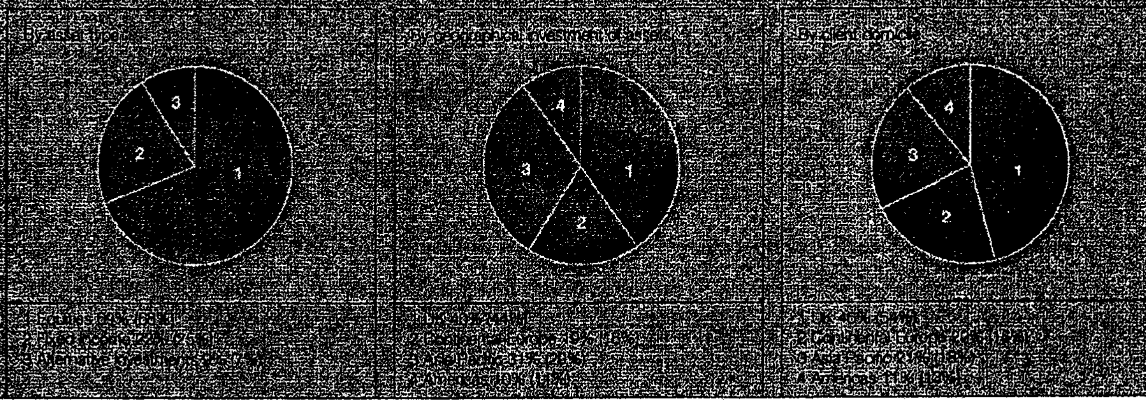


Schroders

Contents

Operating and financial review

Funds under management



Overview

Schroders is a global provider of fund management services for institutional, retail and private clients. Our operations have a broad geographical span covering the main financial centres of the world, with 34 offices divided organisationally between the Americas, Europe and Asia Pacific. The management of international assets is concentrated in two locations, with a further ten primarily responsible for domestic assets, and the balance acting as sales offices. We are committed to an integrated approach to the management of the business, designed to achieve maximum leverage of our intellectual and operational resources across geographical regions and asset classes.

Over recent years we have tightened our focus on asset management, outsourcing administrative functions to specialist third party suppliers and disposing of non-core activities. Within the asset management field, our products cover a wide range of asset classes and client segments, but the management of equity portfolios still dominates the mix, with 69 per cent. of client investments in equities at the end of 2004. Schroders' client profile continues to diversify, with Retail and Private Banking clients now accounting for 35 per cent. (2003: 28 per cent.) of funds under management and 55 per cent. (2003: 49 per cent.) of net revenues in 2004. Revenues for 2003 and 2004 are now stated before fund management charges previously paid by Retail and Private Banking to Institutional.[2]

Most of Schroders' income derives from fund management services sold through third party or institutional distribution channels. The principal exception to this rule is in Private Banking, where the retention of direct distribution capacity to individual clients and the provision of banking and trust services to supplement the core fund management offering are central to the business model.

Results

Group profit before tax of £191.0 million for 2004 compares with a profit of £65.0 million in 2003. Group net revenues were £515.8 million (2003: £427.6 million), whilst total costs before goodwill were £419.8 million (2003: £395.9 million). Exceptional items contributed a further £50.4 million (2003: £2.4 million). Net interest receivable and movements in the value of fixed and current asset investments generated a net profit of £48.5 million (2003: £38.7 million), whilst goodwill amortisation was £9.9 million (2003: £10.3 million). In addition, the Group's share of operating profits in associates was £6.0 million (2003: £2.5 million).

The Group's profit attributable to shareholders after tax and minority interests was £134.0 million (2003: £48.6 million).

Basic and diluted earnings per share were 46.0 pence and 45.7 pence respectively (2003: 16.5 pence and 16.4 pence respectively).

Asset management

Net revenues in asset management rose to £491.0 million from £417.8 million. Asset management costs before goodwill were £387.1 million in 2004 (2003: £368.7 million). The sale of the Group's U.S. small cap equity business in Boston generated an exceptional asset management gain of £2.6 million during the year, whilst net interest receivable and movements on asset management fixed and current asset investments generated a net profit of £16.7 million (2003: £11.2 million). Asset management profit before goodwill was £123.4 million (2003: £62.9 million).

Private equity

The Group's private equity profit increased from £16.8 million in 2003 to £83.6 million in 2004. The largest item under this heading was the exceptional gain (before minority interests) of £47.8 million relating to the disposal of a private equity investment by Internet Finance Partners, a controlled limited partnership. The private equity profit also included a mark-to-market gain of £6.3 million on the Group's holding in SVG Capital plc (formerly known as Schroder Ventures International Investment Trust plc). In addition, other flows included direct distributions totalling £11.7 million from the sale of investments by Permira Europe I, a private equity fund in which the Group has direct and indirect interests.

Minority interests in the Internet Finance Partners disposal amounted to £15.4 million, which is reflected in the Group's profit attributable to shareholders.

[1]see note on page 7
[2]see note on page 7.

Financial accounts

Consolidated Profit and Loss Account for the year ended 31st December 2004

	Notes	2004 Continuing operations £mn	2003 (restated) Continuing operations £mn	2003 (restated) Discontinued operations £mn	2003 (restated) Total £mn
Net revenues	2	515.8	427.5	0.1	427.6
Gains on current asset investments		19.6	16.5	–	16.5
Administrative expenses	4	(415.2)	(387.2)	(0.4)	(387.6)
Depreciation	11	(4.6)	(8.2)	(0.1)	(8.3)
Amortisation of goodwill	10	(9.9)	(10.3)	–	(10.3)
Group operating profit/(loss)		105.7	38.3	(0.4)	37.9
Share of operating profit of associates	12	6.0	2.5	–	2.5
Total operating profit/(loss)		111.7	40.8	(0.4)	40.4
Profit on disposal of business/subsidiary undertakings		2.6	–	2.4	2.4
Profit on disposal of fixed asset investments		47.8	–	–	–
Interest receivable and similar income		28.3	24.7	0.1	24.8
Amounts written back to/(written off) fixed asset investments	12	1.3	(1.9)	–	(1.9)
Interest payable and similar charges	3	(0.7)	(0.7)	–	(0.7)
Profit on ordinary activities before tax	2, 3	191.0	62.9	2.1	65.0
Tax charge on profit on ordinary activities	7	(41.4)			(16.4)
Profit on ordinary activities after tax		149.6			48.6
Minority interests		(15.6)			–
Profit attributable to shareholders		134.0			48.6
Dividends	8	(57.8)			(53.7)
Profit/(loss) retained by the Group for the financial year	23	76.2			(5.1)
Basic earnings per share	9	46.0p			16.5p
Diluted earnings per share	9	45.7p			16.4p

32. Subsidiary undertakings

The following information is given in respect of those subsidiary undertakings which, in the opinion of the Directors, principally affect the consolidated profits or assets of the Group. They are all wholly-owned subsidiary undertakings of the Company (except where shown) and their issued share capital consists of equity shares and other classes of shares where indicated.

All undertakings operate in the countries where they are registered or incorporated except where shown. All companies are engaged in the business of asset management or private equity, or are immediate or intermediate holding companies of such companies.

England
JHSW Leasing (12) Limited
Schroder & Co. Limited
Schroder Financial Services Limited
Schroder Holdings plc
Schroder International Holdings Limited
Schroder Investment Company Limited
Schroder Investment Management Limited
Schroder Investment Management North America Limited
Schroder Investments Limited
Schroder Property Investment Management Limited
Schroder Unit Trusts Limited
Schroder Ventures (1991) Limited

Argentina
Schroder Investment Management S.A.

Australia
Schroders Australia Holdings Pty Limited
Preference shares

Bermuda
Schroder Finance (Bermuda) Limited
Schroder Holdings (Bermuda) Limited
Schroder International Holdings (Bermuda) Limited
Schroder Investments (Bermuda) Limited
Schroder Investments (SVIIT) Limited
Schroders (Bermuda) Limited

Channel Islands
Burnaby Insurance (Guernsey) Limited
Schroder Investments (Guernsey) Limited
Schroder Investment Management (Guernsey) Limited
Schroder Property Managers (Jersey) Limited
Schroder Venture Managers (Guernsey) Limited
Schroders (C.I.) Limited

China-Hong Kong S.A.R.
Schroder Investment Management (Hong Kong) Limited

Denmark
Schroder Investment Management Fondsmaeglerselskab A/S

Germany
Schroder Investment Management GmbH

Indonesia
PT Schroder Investment Management Indonesia - 99%

Italy
Schroder Investment Management (Italy) S.p.A.

Japan
Schroder Investment Management (Japan) Limited[‡]

Luxembourg
Schroder Investment Management (Luxembourg) S.A.

Netherlands
Schroder International Finance B.V.
Schroder Investment Management Benelux N.V.

Singapore
Schroder Investment Management (Singapore) Limited

Switzerland
Schroder & Co. Bank A.G.

United States of America
Internet Finance Partners LP (effective 77.2%)[†]
Schroder Investment Management North America Inc.
Schroder U.S. Holdings Incorporated

[†]Minority interests owned 22.8% of the net asset value of Internet Finance Partners LP at 31st December 2004, but are entitled to 31.7% of future gains and losses of the limited partnership.
[‡]Accounting reference date 31st March

Tab 6

INTERNET FINANCE PARTNERS

A NEW FORCE IN GLOBAL FINANCIAL SERVICES

LAUNCHED BY SCHRODERS PLC, OLIVER, WYMAN & CO AND 2BRIDGE

LONDON - Internet Finance Partners ("IFP"), a venture for the purpose of financing, managing and operating a global network of e-finance companies, particularly in the B2B arena was launched today by Schroders Plc, 2Bridge and Oliver, Wyman & Company. Schroders' strategic partner is 2Bridge a provider of eHub platforms for B2B communications, commerce and exchange. Strategic advisor to IFP, Oliver, Wyman & Company is a global financial services consulting firm.

IFP has a clear focus: to partner with, and build, innovative financial services e-businesses by providing highly targeted capital, expert advice and execution assistance – particularly to those seeking to launch business-to-business Internet enterprises.

The financial services industry operates in "bits and bytes" rather than "bricks and mortar". That's why for financial services, the disruptive impact of the Internet is likely to be so powerful. IFP has estimated the global e-market in financial services to be in excess of $1 trillion over the next few years.

IFP provides a range of resources to enable and ensure its partner firms' success – capital, strategic business model development, technology and infrastructure, high-level industry connections, and access to strategic partners and later-stage financing on advantageous terms. In addition, IFP will provide startup companies with office space, network infrastructure, IT support, creative, recruiting, marketing, accounting and access to legal services as required.

IFP's high-velocity approach to launching and actively managing businesses gives leading efinance innovators the ammunition they need to achieve first-to-market advantage. With offices in London, New York and San Francisco, IFP is well equipped to help companies develop into scaleable global enterprises. Over time, IFP intends to expand its operational capabilities to other financial centres, including Frankfurt, Tokyo and Hong Kong.

Founded in November 1999, IFP draws on talent, industry knowledge, connections and experience from Schroders, Oliver Wyman and 2Bridge, as well as from a range of senior-level industry advisors and

strategic financial services partners. IFP's management team will be led by Schroders' representatives, Sharon Haugh as Chairman and Nancy Curtin as Chief Executive Officer. IFP is already working with four start-up companies.

Nancy Curtin, CEO of IFP, commented:

"We are on the brink of a new financial order. The Internet will create new efficiencies, new markets, new cost structures and new ways of doing business. It will transform the financial services industry. IFP is leading the way in providing the best acceleration to the brightest of e-finance innovators. Together we will redefine financial services in the 21 st Century."

IFP's financial services experience, web technology expertise and high-level connections in the global marketplace offer entrepreneurs a unique, focused opportunity to build and launch scaleable e-businesses in Internet time.

Mansoor Zakaria, IFP Governing Board member and CEO of 2Bridge commented:

"Our vision is to create a network of new financial service companies by supporting innovative entrepreneurs with top-flight advice, technology, capital, and services. It is a unique approach to creating e-value in today's fast-changing world."

The FinanceLab and FinanceSpeed Programmes

IFP has two custom-tailored programmes, FinanceLab and FinanceSpeed, to address the needs of companies at differing levels of development. FinanceLab, an incubator for early stage ideas, provides entrepreneurs with a validated business model, a business plan and a strategy for execution. FinanceSpeed, an accelerator for more advanced ideas, works with startups to further develop their businesses, providing strategic advice, swift technology build-out and business management leverage in a range of areas. FinanceSpeed also provides acceleration services -- connections, manpower and local market expertise -- to established Internet companies looking to scale their companies on a global basis.

The "Lab-Speed" process is about value creation in Internet time. IFP looks to help launch new businesses in as little as 90 days and will provide up to $6m in targeted funding and acceleration services to IFP partner firms. For companies that successfully complete the FinanceSpeed programme, IFP continues to provide strategy, technology and global assistance through to IPO. IFP actively manages its portfolio of e-finance companies through initial public offering and beyond.

Charles Bralver, IFP Governing Board member and vice chairman of Oliver, Wyman & Company commented:

"Entrepreneurs who join FinanceLab or FinanceSpeed are greatly increasing their chances of becoming successful business leaders within their chosen marketplace."

Internet Finance Partners' web site is
http://web.archive.org/web/20010107225700/http://www.ifp.com/ .

For further information please contact:

IFP

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Sharon Haugh, Chairman shaugh@ifp.com	020 7658 6000

GCI

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USA - Alison Gillies	001 212 537 8082

Additional Partner Contacts:

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USA - Charles Bralver, Oliver, Wyman & Co	001 212 541 8100

Tab 7

Schroder Finance Partners

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experience

Our Global Networ

Team Fund Investments Cont

Sharon Haugh -- Chairman

Sharon Haugh has twenty-six years experience in the financial services industry, eighteen of which were dedicated to building and managing Schroder Investment Management North America.

Haugh joined Schroders in 1982 with the mandate to develop a US market for the company's international asset management services at a time when few US companies and institutions were investing overseas. Haugh and her team have built SIMNA's assets under management from zero to their present level of $40 billion.

Before joining Schroders, Haugh was a research analyst and portfolio manager at New Court Securities, now Rothschild Inc. There, she researched and invested in companies in industries such as airlines, healthcare, retailing, railroads and consumer products.

Earlier, she was a research analyst at Soros Fund Management, where she worked with co-founder Jim Rogers researching companies across all major sectors, including retail, technology, consumer products and basic industries. Haugh, who started at the company as a trader, was one of George Soros' and Jim Rogers' first hires.

Haugh is Chairman of SIMNA and is a member of the SIM Management Committee and the Schroders Group Executive Committee. Haugh is also on the Advisory Board of Schroder Venture Partners LLC.

SHaugh@schroderpartners.com

OTHER TEAM BIOGRAPHIES:
Akbar Ayaz | Lisa Baker | Stewart Binnie | Rebecca Chiu |
Jeff Cunningham | Nancy Curtin | Lester Gray |

> CAREERS > COPYRIGHT and PRIVACY > PRESS ROOM

Tab 8

Schroder Finance Partners Sch

Our Global Networ

Team Fund Cont

Nancy Curtin – Managing Partner (London)

During her twenty years in the financial services industry, Curtin has led and established investment businesses in the US, Europe and emerging markets.

Her previous role was as Managing Director and Head of Investments for Schroders plc's Global Mutual Fund businesses. While at Schroders, she also led the firm's asset management group's E-Business Global Project, where the idea to form Schroder Finance Partners was conceived.

Prior to joining Schroders, she was Head of Emerging Markets at Barings Asset Management, running a 50-person investment team with interests ranging from East Asia to Latin America. She built Barings' East European Practice, founding the first-ever mutual funds for Eastern Europe and the first private equity fund for the newly independent states of the former Soviet Union. Curtin was also a member of the Barings Board of Directors, Chair of the Global Senior Management Council and a Board member of Baring Private Equity Partners.

Earlier, Curtin was a Managing Director at Rho Asset Management, a venture capital firm, based in New York and Germany, specialising in technology investments. While at Rho, Curtin managed a global stock portfolio and advised on the firm's portfolio of technology venture capital investments. She also pioneered Rho's venture capital business in East Germany and Eastern Europe, based in Berlin.

Curtin's prior experience includes leading Corporate Finance and M&A transactions for global technology firms at Credit Suisse First Boston and Morgan Stanley. She holds a BA in politics from Princeton University and an MBA from Harvard Business School.

NCurtin@schroderpartners.com

OTHER TEAM BIOGRAPHIES:
Akbar Ayaz | Lisa Baker | Stewart Binnie | Rebecca Chiu | Jeff Cunningham | Lester Gray | Sharon Haugh

> CAREERS > COPYRIGHT and PRIVACY > PRESS ROOM

Tab 9

SCHRODER FINANCE PARTNERS ANNOUNCES EXCITING DEAL

LONDON – 24 March 2000 – Schroder Finance Partners, a venture for the purpose of financing, managing and operating a global network of e-finance companies, particularly in the b2b arena, which is backed by Schroders Plc and Oliver Wyman, today announced the details of an investment of £3 million in Lava Trading.

Lava Trading ("Lava") develops real-time liquidity browsers searching directly via private networks or internet-based front ends for best-prices and smart order routing across traditional market makers, exchanges and ECN's, effectively creating a global central order book. Initially Lava will target the US equities market, but has plans to expand to international markets and other securities by early 2001.

Nancy Curtin, Senior Managing Partner of Schroder Finance Partners commented: "Lava Trading represents a good example of the type of businesses that Schroder Finance Partners will look to invest in and accelerate. Lava is addressing the problem of increased market fragmentation by creating what is in essence a global central order book. Lava is looking at a multi-billion dollar market opportunity on a global basis. This is our kind of deal".

Lava Trading was formed in March in 1999 to create two products: The ColorBook™ System a patent pending ECN/Exchange consolidation system producing market data, analytics, order placement and execution; and Lava Trading Software a comprehensive trading floor system, fully integrated with the ColorBook™ System.

In essence, Lava seeks to deliver a system that will provide the lowest price real-time order routing and placement by integrating prices across all available sources of liquidity. The system will offer tangible savings on both the cost of trades and the investment in proprietary software potentially saving millions of dollars a year to institutional trading organisations.

Tab 10

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improving securities and foreign exchange trading through technology lea

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- home
- about lava
- solutions
- support
- news
- alliances
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Contact

For more information about Lava Trading's products please contact:

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Tab 11

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"Cool" Comes to FX: Lava Adds

home
about lava
solutions
support
news
alliances
careers
more info
contact us
login

For Immediate Release

CITIGROUP GLOBAL CORPORATE AND INVESTMENT BANKING GROUP TO ACQUIRE LAVA TRADING, LEADING INDEPENDENT PROVIDER OF HIGH-PERFORMANCE TRADING SOLUTIONS

Joins Lava's Sophisticated and Robust Electronic Trading Capabilities with Product and Geographic Diversity of Global Fina Leader

Lava to Operate as Wholly-Owned, Independent Subsidiary of Citigroup

New York, July 2, 2004 - Lava Trading Inc., the largest independent provider of high-performance trading solutions to the services industry, will become a wholly-owned, independent subsidiary of Citigroup Inc. (NYSE: C) following the closing of transaction, the companies announced today. Terms of the transaction were not disclosed. The transaction is expected to third quarter of 2004 and is subject to customary closing conditions.

Lava provides Citigroup with a state-of-the-art product offering in the rapidly expanding channel of electronic execution ai order management systems. Lava's patented technology consolidates market data from electronic communication networl exchanges to help its clients realize best execution via a low-cost, high-speed, multi-broker electronic trading platform to Lava's clients include most of the top 20 U.S. investment banks, market makers, hedge funds and institutional investors.

"Today, equity execution requires leading edge technology, and by joining with Lava, we are poised to offer our institutior benefits of the most sophisticated and robust electronic trading system in the market with technology that complements a our existing platforms and product suites," said James Forese, Managing Director and Head of Citigroup Global Equities. "' move, we will catapult to a leading market position in electronic execution Ð which currently accounts for a significant anc portion of total trading volume.

"The combination of Lava's trading solutions and Citigroup's product diversity and global breadth is unmatched, enabling ı expanding array of electronic execution capabilities across multiple product lines and geographies. We look forward to wo Lava's co-founders, Richard Korhammer and Kamran Rafieyan, and the entire Lava team to maximize the potential of this Mr. Forese said.

Richard Korhammer will remain Chief Executive Officer of Lava, reporting to Mr. Forese. In order to maintain strict confide client trading data, Lava will be operated independently of Citigroup from Lava's Morton Street headquarters in New York strict firewalls.

"As we continue our efforts to advance technology leadership in the financial services industry as it relates to speed, intell reliability, we could not have a better partner than Citigroup with its global footprint and unmatched capabilities," Mr. Kor "With the resources of Citigroup behind us, our opportunities to move into new product areas and expand our services to demand for electronic trading and execution capabilities are unlimited."

About Lava Trading Inc.
Headquartered in New York City, with offices in California, Connecticut and the United Kingdom, Lava Trading Inc. is an in technology firm that develops unique, high-performance trading solutions for the financial services industry. Lava product as true ASP solutions built to withstand maximum volumes in the most volatile conditions. As a cost effective and neutral Lava's OTC and Listed solutions are used by leading broker/dealers, including most of the top U.S. investment banks, mar hedge funds, and institutional investors. With its patented products and capital markets expertise, Lava creates value-add solutions that combine speed, intelligence and reliability. For more information, visit http://web.archive.org/web/20040820110621/http://www.lavatrading.com/.

About Citigroup
Our Global Corporate & Investment Banking Group is a leading force in the world's capital markets and consists of three b Global Banking, Capital Markets, and Transaction Services. We provide more industry-leading solutions to more clients in countries than any of our competitors. No other company serving the capital markets offers Citigroup's geographic reach, presence, product scope, expertise, and high standards.

Citigroup (NYSE: C), the preeminent global financial services company which has 200 million customer accounts and does

more than 100 countries, provides consumers, corporations, governments and institutions with a broad range of financial services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smi Banamex, and Travelers Life and Annuity. Additional information may be found at http://web.archive.org/web/20040820110621/http://www.citigroup.com/.

Certain statements in this document are "forward-looking statements" within the meaning of the Private Securities Litigati Act. These statements are based on management's current expectations and are subject to uncertainty and changes in cir Actual results may differ materially from those included in these statements due to a variety of factors. More information factors is contained in Citigroup's filings with the Securities and Exchange Commission.

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John Randel
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cheryl.easton@lavatrading.com

LAVA®

Improving securities and foreign exchange trading through technology leadership℠

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Lava Trading Inc. Secures $30 Million in Financing Led By TA Associates

Profitable and Growing Financial Services Technology Firm Provides Wall Street Neutral and Direct Access to All Major Sources of Liquidity

BOSTON and NEW YORK CITY (April 9, 2002) - Lava Trading Inc., a leader in providing market data distribution, trading technology, and Electronic Communication Networks (ECN) and exchange connectivity for NASDAQ market makers, broker dealers, and large institutional investors, announced it has secured $30 million in financing led by TA Associates, one of the nation's leading private equity firms.

Located in New York City, Lava, as a neutral party, maximizes trader's access to multiple ECNs, increases desk productivity, and lowers floor transaction and communication costs. With a narrowing of spreads through decimalization, fragmentation of liquidity among ECNs, and regulatory changes, traders are forced to find new systems to trade quickly, access multiple pools of liquidity, and provide a consolidated view of the market while remaining anonymous.

"A strategic partnership with an outstanding firm such as TA Associates enables us accelerate our progress and take full-advantage of the success of our current products and services," said Richard Korhammer, co-founder and CEO of Lava Trading. "TA's experience in technology, financial services, and investment management will provide us with a wealth of insight as we continue to grow."

"We are excited to be partnering with Lava Trading," said Jonathan W. Meeks, a Vice President at TA Associates. "Lava's patented technology provides the solution for the fragmentation of the equity markets. This technology has been validated by the most demanding traders at the largest investment banks, and has exciting applications providing direct access to institutional traders."

According to analysts, ECNs account for about 45% of all NASDAQ volume. Since going live in February of 2001, Lava continues to experience steady growth in revenues and volume. Through Lava, its customers are executing 150 to 200 million shares a day, or nearly 10% of NASDAQ's daily volumes. Lava has already enlisted 10 of the 13 largest investment banks as users.

The investment in Lava Trading is another example of TA's commitment to invest in profitable and rapidly growing financial services and technology companies. Among TA's investments are Affiliated Managers Group, AIM Management Group (AMVESCAP plc), BMC Software, Datek, Finisar, Lawson Software and Network Appliance.

Lava's initial investors, Internet Finance Partners (IFP) and LaBranche & Co. Inc., also participated in this round. LaBranche & Co. Inc. is a leading specialist on the New York Stock Exchange and Internet Finance Partners, L.P. is a venture partnership backed by Schroders plc, dedicated to investing in leading-edge technologies in the financial services sector.

About Lava Trading Inc.

Lava Trading, Inc. is a technology company that develops high-performance software for the trading floor, and operates that software and datacenters as a Specialized Applications Service Provider (SASP) for its clients. High-volume trading organizations that choose Lava's suite of solutions benefit from best-of-breed trading technology proven to make their trading more profitable and efficient combined with significant operational and technical savings from choosing Lava's unique SASP approach. Lava Trading is

located in New York City and is privately held.

About TA Associates

Founded in 1968, TA Associates is one of the oldest and most experienced buyout and private equity firms in the U.S. With offices in Boston, Menlo Park, and Pittsburgh, TA manages over $5 billion in capital and has invested in 330 companies. TA Associates provides growth equity capital and buyout financing for technology, financial services and healthcare related businesses. More information about TA Associates can be found at http://web.archive.org/web/20040820110717/http://www.ta.com/.

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Tab 12

Exhibit 99.1

CITIGROUP REPORTS SECOND QUARTER NET INCOME OF $1.14 BILLION

SECOND QUARTER EPS OF $0.22

REVENUES INCREASE 15% TO $22.3 BILLION
RESULTS REFLECT PREVIOUSLY ANNOUNCED $4.95 BILLION AFTER-TAX CHARGE FOR WORLDCOM CLASS ACTION SETTLEMENT AND INCREASE IN LITIGATION RESERVES AND AFTER-TAX GAIN OF $756 MILLION ON SALE OF STAKE IN SAMBA FINANCIAL GROUP
EXCLUDING THESE ITEMS, EARNINGS WOULD HAVE BEEN $5.34 BILLION, OR $1.02 PER SHARE

New York, NY, July 15, 2004--Citigroup Inc. (NYSE:C) today reported net income for the three months ended June 30, 2004 of $1.14 billion and earnings per diluted share of $0.22. Results included a $4.95 billion after-tax charge, or $0.95 per share for the WorldCom class action settlement and increased litigation reserves related to 2003 regulatory settlements. Results also included a $756 million, or $0.15 per share, after-tax gain on the sale of the company's 20% stake in the Samba Financial Group. Excluding these previously announced items, earnings would have been $5.34 billion, or $1.02 per share, an increase of 24% and 23%, respectively.

For the six months ended June 30, 2004, net income was $6.4 billion and earnings per share was $1.23. Excluding the litigation charge and Samba gain, earnings for the six months would have been $10.6 billion and earnings per share would have been $2.03, an increase of 26% and 25%, respectively.

"Second quarter results were significantly reduced by the WorldCom settlement and associated reserve increase, partially offset by the gain on sale of our Samba interest. Excluding the effect of these items, underlying business dynamics were strong, with revenues increasing by 9%, despite sluggish capital markets in May and June. Our international businesses continue to perform well with income in international cards and international retail banking increasing 49% and 50%, respectively," said Charles Prince, Chief Executive Officer of Citigroup. "The credit environment is the best we have seen in years."

"We continued to invest in our businesses, both through increasing our commitment to marketing and technology, as well as strategic acquisitions to build our core franchises, such as Principal Residential Mortgage, which closed on July 1, and Lava Trading which is expected to close in the third quarter," said Prince.

Tab 13

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2004.

Revenue for the 2004 second quarter increased to $90.7 million from $87.5 million for last year's second quarter. The second quarter 2004 revenue includes a $24.6 million appreciation in fair value of the Company's investment > in Lava Trading, Inc. due to the recent agreement of Citigroup Financial Products, Inc. to acquire Lava. The Company, however, reported a net loss applicable to common stockholders of $25.6 million, or $0.43 per share, for the 2004 second quarter. The loss includes charges of $55.9 million for premium and consent payments, accelerated discount amortization and related fees with respect to the Company's repurchase of a substantial portion of its $100 million

Page 6 -- 8-K -- EX-99.1 -- Filed by LABRANCHE & CO INC

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(1) Reflects the write-up in value of the Company's investment in < Lava Trading Inc. due to an executed merger agreement among Citigroup Financial Products, Inc., Lava and certain major stockholders of Lava.

(2) Reflects the write-down to fair value, as determined by Management, of the Company's exchange memberships.

Tab 14

Institutional Investor.com

People
Lava rocks for Citi
361 words
10 August 2004
Institutional Investor - International
English

Every few months New York technology shop **Lava Trading** books itself into a downtown music dive for two reasons: to let its 200 employees blow off steam and to provide a showcase for the in-house talent, led by guitar-playing co-founders Richard Korhammer, CEO, and Kamran Rafieyan, chief information officer. But when they gathered after work at the Parkside Lounge on July 23, the Lava crowd had another reason to party.

Three weeks earlier Citigroup had agreed to acquire trading-systems developer Lava. The price was undisclosed, but sources place it somewhere north of $300 million -- promising a hefty payday for shareholders like private equity firm TA Associates, which paid $28 million for about 25 percent of the company in 2002. The deal, expected to close this month, will augment Citi's arsenal in the high-stakes, high-tech battle with the automated, "hands-off" trading platforms of other Wall Street firms (Institutional Investor, June 2004). Says Korhammer, 38, "We have an ideal, committed partner who recognizes the value of the franchise and who can help us in gaining additional distribution for our products, in growing overseas and in expanding into new security classes beyond equities and foreign exchange."

But first, Korhammer has some explaining to do. Just a week before the July 2 acquisition announcement, J.P. Morgan Securities said it had agreed to use Lava's ColorPalette trade order management system. Is J.P. Morgan still comfortable endorsing, and paying a rival for, a critical piece of trading software? "For now I'll decline to comment," says spokesman Brian Marchiony. But execs at other firms are blasting away, albeit anonymously. "That's like SAP buying an Oracle system to run its financials," mocks one. "Nobody in their right mind will go to senior management and suggest licensing an application from Citi."

Korhammer, who played in a rock band with Rafieyan when they were classmates at Princeton in the 1980s, expects to tune down the feedback. "We will continue to operate as an independent company," he vows. "That means working effectively with all clients -- and no special initiatives for anyone."

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Tab 15

FINANCIAL NEWS

Lava comes under fire after sale to Citigroup
Phillipa Leighton-Jones
779 words
22 August 2004
Financial News
English

Fund managers' efforts to achieve better deals for their clients by taking control of their trades could stall as brokerage houses acquire the technology for such trading.**Lava Trading**, a leading light of this revolution by the buyside, has been criticised by analysts for agreeing to be acquired by Citigroup for an estimated $750m (€607m). The deal has brought to an end Lava's broker-neutral status that contributed substantially to its success, they said.

Lava ties together market data from exchanges, marketmakers and electronic trading networks in listed and over-the-counter stocks to find the best price for investors. It then sends orders to the chosen destination in milliseconds. The firm routes trades for more than 20% of orders for Nasdaq-listed stocks.

However, the network's success has been built on its ability to offer these services unencumbered by brokerage interests. This gave fund managers and hedge funds the freedom to execute trades with the marketmaker offering the best price.

It also made Lava attractive to marketmakers, who could compete for buyside orders without worrying that they were paying competing brokers. Sixteen of the top 20 US brokerage houses signed up to make markets on the system and the rest were believed to be close to joining.

However, analysts believe that Lava, previously owned by venture capital firm TA Associates, could be in danger of losing those participants.

An analyst at a New York-based firm said: "Broker-provided solutions create concerns for their buyside end users, including limited confidentiality and anonymity of trades. The broker behind the platform sees all the money managers' activity and their trading strategies. The ability to trade anonymously is quite often the greatest pull for these networks."

He said broker ownership means there is a danger that buyside clients will have no choice of where they send their orders other than to the broker providing the technology. "This also makes multi-asset class trading unwieldy if they are using brokers based on specialisation in a certain asset class," he said.

Citigroup, headed by Sandy Weill, insists that the Lava network will be run separately and retain its neutral status. Richard Korhammer, who co-founded the network, will continue to be chief executive and the bank said there will be a Chinese wall between the two. At the time of the deal, Korhammer admitted that the network may run into problems over its neutrality but said he planned to assure clients that the platform would remain independent. "We cannot control the psychology and politics of others' reactions but we can control the truth of our product," he said.

Analysts and users said that, even if neutrality persists, Lava will be perceived as biased and fund managers and marketmakers will go elsewhere.

Jodi Burns, an analyst at Celent Communications, a research firm, said: "The concerns about neutrality are valid. Lava and Citigroup are saying all the right things but it remains to be seen what will happen until after the acquisition is implemented."

Analysts believe that one of Lava's most recent deals could already be under threat. In June, the firm signed a

CERTIFICATE OF SERVICE

The undersigned, an attorney duly admitted to practice law before this Court, hereby certifies under penalty of perjury, that on May 16, 2007, I caused a true copy of the foregoing

- ***Plaintiff Blackrock, Inc.'s Memorandum of Law in Opposition to Defendant's Motion to Dismiss***;
- ***Supplemental Affirmation of Jay S. Berke in Opposition to Motion to Dismiss, dated, May 15, 2007;***
- ***Affirmation of Harris Oliner in Opposition to Defendant's Motion to Dismiss, dated May 15, 2007;***
- ***Affidavit of J. Richard Kushel in Opposition to Defendant's Motion to Dismiss, dated May 15, 2007****; and*
- ***Compendium of Unreported Decisions Cited in Plaintiff Blackrock, Inc.'s Memorandum of Law in Opposition to Defendant's Motion to Dismiss***

to be served by hand delivery upon

Frederick A. Brodie, Esq.
Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway
New York, NY 10036

Dated: New York, New York
May 16, 2007

Steven Ray Katzenstein

Steven Ray Katzenstein (SK7599)